

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
: Chapter 11
SEARS HOLDINGS CORPORATION, *et al.*, :
: Case No. 18-23538 (RDD)
:
Debtors¹
:
: (Jointly Administered)
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**ORDER SUPPLEMENTING THE SALE ORDER (DOCKET NO. 2507) WITH
RESPECT TO THE RELEASE OF LIENS ON THE PROPERTIES KNOWN AS
RIO PIEDRAS (LOCATION 8975) IN PUERTO RICO**

Upon filing of the *Notice of Presentment of Order Supplementing the Sale Order* (Docket No. 2507) *With Respect to the Release of Liens on the Properties Known as Rio Piedras (Location 8975) in Puerto Rico* (the “Notice of Presentment”); and upon entry of the *Order (I) Approving the Asset Purchase Agreement Among Sellers and Buyer, (II) Authorizing the Sale of Certain of the Debtors’ Assets Free and Clear of Liens, Claims, Interests and Encumbrances, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts, and Leases in Connection Therewith and (IV) Granting Related Relief* (Docket No. 2507) (the “Sale Order”), under which the Buyer purchased substantially all of the Debtors’ assets, including the properties known as Rio Piedras, Cupey Bajo, San Juan, Puerto Rico (location 8975), as further described in Exhibit A

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attached hereto, and whose contents are incorporated as if fully transcribed at length herein, and made a part of this Supplemental Order (the “Properties”), free and clear of all liens, claims and encumbrances (the “Sale Transaction”); and due and proper notice of the relief requested in the Notice of Presentment having been provided in accordance with the *Amended Order Implementing Certain Notice and Case Management Procedures* (Docket No. 405) (the “Amended Case Management Order”); and there being no objections to the relief granted herein; and it appearing that no other or further notice need be provided in accordance with the Amended Case Management Order or otherwise and no hearing is required with respect to the Notice of Presentment’s request for the relief granted herein; and, after due deliberation, the Court having determined that the legal and factual bases set forth in the Notice of Presentment establish sufficient cause for the relief granted herein, and it appearing that a request for cancellation of liens in the records of the Puerto Rico Property Registry (“Property Registry”) is necessary and proper for the implementation of the Supplemental Order; now, therefore,

IT IS HEREBY ORDERED THAT:

1. Pursuant to the Sale Order, and this Order, the Puerto Rico Property Registrar, San Juan Registries III and IV (the “Property Registrar”) is authorized and directed to perform all operations necessary in the system and records of the Property Registry to cancel, eliminate, and/or extinguish any and all claims, interests, and encumbrances over the Properties, including the liens of the Prior Mortgagees (defined below); and

2. A Writ of Cancellation of Liens (substantially in the form attached hereto as Schedule I) may be issued by the Clerk of this Court, whereby the Property Registrar shall be instructed to cancel any liens, claims, interests or encumbrances assessed over the Properties, as fully identified and described hereto, whose extinguishment, cancellation or elimination shall take place upon any party submitting and presenting a certified copy of the Writ of Cancellation of Liens, upon the Property Registry.

3. Nothing in this Order or in the Writ of Cancellation of Liens or related to the

implementation of either shall: (i) prejudice, alter or limit the rights of Carl Ireland, as guardian for James Garbe and his estate, and the United States of America (together the “Prior Mortgagees”), to pursue any claims against the Debtors, including any claims preserved in their proofs of claims, and any claims against the Debtors and their property stemming from the mortgage note between the Debtors and the Prior Mortgagees; or (ii) prejudice, alter or limit the rights of the Prior Mortgagees with respect to the existence, value and priority of any replacement liens, adequate protection liens or superpriority administrative expense claims provided to the Prior Mortgagees pursuant to paragraph 71 of the Sale Order, paragraph 65 of the Confirmation Order or any other order of this Court.

Dated: White Plains, New York
March 20, 2020

/s/Robert D. Drain

UNITED STATES BANKRUPTCY JUDGE

Exhibit A to the Order

PROPERTY DESCRIPTIONS

1. “RUSTICA: Predio de terreno radicado en el Barrio Monacillos del término municipal de Río Piedras, compuesto de siete punto seis mil quinientos setenta y cinco (7.6575) cuerdas, equivalentes a treinta mil noventa y seis punto nueve mil trescientos ochenta y siete metros cuadrados (30,096.9387), marcada parcela “A” en el Plano de Inscripción aprobado y certificado por la junta de planificación, caso número sesenta raya dieciocho veinte (60-1820). En colindancia por el NORTE, con la parcela “C” y “E” de la finca principal de la cual se segregó; por el SUR, con franja de terreno del Estado Libre Asociado de Puerto Rico y por la carretera estatal número ciento setenta y seis (176), por el ESTE, colinda con franja libre de dedicarse al Gobierno de Estado Libre Asociado de Puerto Rico, cuya franja se denomina Parcela “B” en el plano de inscripción, la cual colinda con la orilla Oeste, del Río Piedras y es de diez (10) metros de ancho; por el OESTE, con la carretera estatal número ciento setenta y seis (176) y la Parcela “E” de la finca principal de la cual se hace segregación.”

Property number 17328 recorded at page 221 of volume 466 in Monacillos, Registry of Property of Puerto Rico, Section of San Juan III is affected by the following liens and encumbrances:

- (a) By itself, it is subject to a mortgage securing a mortgage note in favor of the United States of America and Carl Ireland Curtiss, as guardian for James Garbe and his estate, as joint and several creditors (*acreedores solidarios*), in the principal amount Seventeen Million Four Hundred Thousand Dollars (\$17,400,000.00), for which the property secures Fifteen Million Four Hundred Eighty Thousand Dollars (\$15,480,000.00), with interest at the rate of one point five percent (1.5%) per annum and constituted pursuant to Deed Number Two (2) executed on January twelve (12), two thousand eighteen (2018) before Notary Miguel A. Blanco Fuertes, recorded in the Registry at the Karibe volume of the Third (III) Section of San Juan, property number seventeen thousand three hundred twenty-eight (17,328) of Monacillos, third (3rd) inscription.
2. “RUSTICA: Parcela de terreno sito en el barrio Cupey del término de Río Piedras, compuesta de veintiocho mil ochocientos treinta y uno punto setenta (28,831.70) metros cuadrados, equivalentes a siete punto tres mil trescientos cincuenta y cuatro (7.3354) cuerdas. En lindes por el NORTE, en una línea quebrada de ciento veintiocho punto veintinueve (128.29) metros de longitud, con el Río Piedras y en otra distancia de doscientos veinte punto veinticuatro (220.24) metros de longitud, siguiendo el eje de la Quebrada Guaracanal ya canalizada, con la finca Mariana de la Universidad de Puerto Rico, ESTE, en una línea quebrada de 194.37 metros de longitud, con el remanente de la finca principal de la Sucesión de Guillermo S. Pierluisi; SUR, en una distancia de sesenta y ocho punto treinta y nueve (68.39) metros, con una franja de terreno que se segregó de la misma finca principal y se dedicó a uso público para el ensanche de la carretera estatal PR 176; OESTE, en una distancia quebrada de trescientos veintitrés punto setenta y dos (323.72) metros, con el Río Piedras.”

Property number 9717 is recorded at page 181 of volume 302 in Río Piedras Sur, Registry of Property of Puerto Rico, Section of San Juan IV is affected by the following liens and encumbrances:

- (a) By itself, it is subject to a mortgage securing a mortgage note in favor of the United States of America and Carl Ireland Curtiss, as guardian for James Garbe and his estate, as joint and several creditors (*acreedores solidarios*), in the principal amount Seventeen

Million Four Hundred Thousand Dollars (\$17,400,000.00), for which the property secures One Million Nine Hundred Twenty Thousand Dollars (\$1,920,000.00), with interest at the rate of one point five percent (1.5%) per annum and constituted pursuant to Deed Number Two (2) executed on January twelve (12), two thousand eighteen (2018) before Notary Miguel A. Blanco Fuertes, recorded in the Registry at the Karibe volume of the Fourth (IV) Section of San Juan, property number nine thousand seven hundred seventeen (9,717) of Río Piedras South, second (2nd) inscription.

SCHEDULE I to the Order

Form of Writ of Cancellation of Liens

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re :
: **Chapter 11**
SEARS HOLDINGS CORPORATION, et al., :
: **Case No. 18-23538 (RDD)**
:
Debtors.¹ : **(Jointly Administered)**
----- x

WRIT OF CANCELLATION OF LIENS

THE COMMONWEALTH OF PUERTO RICO

**TO: THE HONORABLE PROPERTY REGISTRAR, SAN JUAN PROPERTY REGISTRIES
III AND IV**

WHEREAS, the Honorable U.S. Bankruptcy Judge, Robert D. Drain, entered an order (Docket No. 2507) on February 8, 2019 (the “Sale Order”), approving the sale of substantially all of the assets of Sears Holdings Corporation and its subsidiaries, including without limitation, the parcels of land located in San Juan, Puerto Rico known as Rio Piedras (location 8975) (the “Properties”) to Transform Holdco LLC and certain of its affiliated entities (the “Buyer”);

WHEREAS, pursuant to the Sale Order, the Properties have been transferred to Buyer,

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free and clear of all liens and encumbrances including free and clear of any and all liens held by Carl Ireland, as guardian for James Garbe and his estate, and the United States of America (together, the “Prior Mortgagees”);

WHEREAS, the Honorable U.S. Bankruptcy Judge, Robert D. Drain, has issued an order supplementing the Sale Order regarding the Properties (the “Supplemental Order”), which includes the following provisions:

1. Pursuant to the Sale Order, and this Order, the Puerto Rico Property Registrar, San Juan Registries III and IV (the “Property Registrar”) is authorized and directed to perform all operations necessary in the system and records of the Property Registry to cancel, eliminate, and/or extinguish any and all claims, interests, and encumbrances over the Properties; and

2. A Writ of Cancellation of Liens (substantially in the form attached hereto as Schedule I) may be issued by the Clerk of this Court, whereby the Property Registrar shall be instructed to cancel any liens, claims, interests or encumbrances assessed over the Properties, as fully identified and described hereto, whose extinguishment, cancellation or elimination shall take place upon any party submitting and presenting a certified copy of the Writ of Cancellation of Liens, upon the Property Registry.

SO ORDERED.

In New York, New York, this [] day of [], 2020

[SIGNATURE]

WHEREOF, by way of the present Writ of Cancellation of Liens, you, as the Puerto Rico Property Registrar and in compliance with the Sale Order and the Supplemental Order described above, are hereby ORDERED to proceed with the cancellation of liens described in the Supplemental Order transcribed above and which may encumber the Properties described in its Exhibit A.

IN TESTIMONY OF WHICH, I issue the present writ under my signature and the seal of this Court.

In New York, New York, this [] day of [], 2020

[CLERK SIGNATURE]